

File
Bandit Mine
Clayton Stocks

JIM

JUN 14 1982

June 7, 1982

CERTIFIED MAIL: P 324 741 335

S & S Mining Co.
ATTN: Clayton Stocks
P.O. Box 310
Moab, Ut 84532

RE: ML 29273-Bandit Mine

Dear Mr. Stocks:

According to our records, 751.80 tons of ore have been extracted from the Bandit Mine during the current year. As you may be aware, this extraction of over 500 tons of ore places the Bandit Mine in violation of the Utah Mineral Land Reclamation Act. Such violation also constitutes a breach of our lease agreements.

Upon receipt of this letter you are given thirty (30) days in which to submit all required information to the Utah Division of Oil, Gas & Mining for compliance with the Utah Mineral Land Reclamation Act. Please contact the Division of Oil, Gas & Mining, telephone #533-5771, regarding such requirements.

Further, the Utah Division of State Lands and Forestry, as Lessor, herewith increases bond required from Lessee to the amount of \$10,000.00. I presently hold a \$5,000.00 C.D. Bond from Wilene Schumway. Accordingly, upon receipt of this letter you are given thirty (30) days in which to post an additional \$5,000.00 bond. Such bond may be posted by your designated sublessee. The form of bond must be either a Surety Bond using the enclosed Bond of Lessee Form, or an automatically renewable time certificate of deposit or federally insured Money Market Certificate having maturity dates no greater than twelve (12) months. If you elect to post a C.D. or Money Market it must be purchased to read "State of Utah or S & S Mining Co., c/o P.O. Box 310, Moab, Ut 84532," and be deposited with this office.

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DIVISION OF
OIL, GAS & MINING

S & S Mining
June 7, 1982
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Failure to comply with these requests within the given thirty (30) days period may result in termination of this lease. Your cooperation in this matter is appreciated.

Sincerely yours,

JOHN T. BLAKE
MINERALS RESOURCE SPECIALIST

JTB/mh

Enclosures

cc: Wilene Shumway
3080 Spanish Trail Dr.
Moab, UT 84532

✓ Sandy Pruitt
Division of Oil, Gas & Mining